

City of Philadelphia



(Bill No. 210203)

AN ORDINANCE

Authorizing and approving the execution and delivery of one or more Service Agreements between The City of Philadelphia and the Philadelphia Redevelopment Authority and/or one or more other City-related Authorities relating to the financing of a Neighborhood Preservation Initiative which includes housing, commercial corridors, and neighborhood infrastructure programs; approving the issuance by each such Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in one or more series to finance or refinance such initiative and authorizing and approving the obligation of The City of Philadelphia to pay in full when due the Service Fee and other amounts payable under each Service Agreement; authorizing certain City officers to take certain actions required to issue such bonds, notes or other evidences of indebtedness; covenanting that The City of Philadelphia will make necessary appropriations in each of the City's fiscal years to provide for, and will make timely payments of, the Service Fee and other amounts due under each such Service Agreement; and authorizing and approving the Director of Finance of the City and other City officials to take other necessary or appropriate actions to effectuate the purposes of this ordinance; all under certain terms and conditions.

WHEREAS, The City of Philadelphia (the "City") has determined that the Philadelphia Redevelopment Authority and/or one or more other City-related Authorities designated by the Director of Finance of the City (each, an "Authority," and, collectively, the "Authorities") will, at the direction of and with the cooperation of the City, pursuant to the related Service Agreement (as defined herein), provide financial and administrative services to the City in connection with, and undertake, all or a portion of a Neighborhood Preservation Initiative which includes housing, commercial corridors, and neighborhood infrastructure programs (the "Program"), including the financing or refinancing of certain costs thereof, all as further described in Exhibit A hereto in order to encourage the provision of healthful homes and a decent living environment, eliminate blight, preserve critical affordable housing, respond to inadequacies in the supply of residential owner-occupied and rental housing in the City, encourage the provision of adequate places for employment, and promote economic activity to improve the health, safety and welfare of residents of the City; and

WHEREAS, The Council of the City (the "Council") has, by this Ordinance, determined that it is in the best interests of the City to: (i) authorize and approve the execution and delivery of one or more Service Agreements (each, a "Service Agreement," and collectively, the "Service Agreements") by and between the City and each applicable Authority; (ii) approve the issuance by each applicable Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in such amount and for such purposes as described in Section 1 herein in one or more series, either as taxable or tax-exempt obligations; and (iii) authorize and approve the performance by the City of its obligation to pay

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in full when due the Service Fee (as defined in the applicable Service Agreement) and other amounts payable under each such Service Agreement; and

WHEREAS, The City is authorized to enter into the Service Agreements to enable the financing and refinancing of certain costs of the Program; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Council hereby: (i) authorizes and approves the execution and delivery, from time to time, of one or more Service Agreements, which shall be substantially in the form of Exhibit B hereto, with one or more Authorities, all as determined by the Director of Finance of the City (the “Director of Finance”); (ii) approves the issuance from time to time by one or more of the Authorities of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) (the “Obligations”) in an aggregate principal amount not to exceed Four Hundred Million Dollars (\$400,000,000), net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the Program, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations (collectively, the “Project”); and (iii) authorizes and approves the performance by the City of its obligation to pay in full when due the Service Fee payable under each Service Agreement (with respect to each Service Agreement, the “Service Fee”) and other amounts payable under each Service Agreement.

SECTION 2. The Director of Finance is hereby authorized to execute and deliver, on behalf of the City, one or more Service Agreements in substantially the form of Exhibit B hereto, with such changes as the City Solicitor shall advise based on requirements of law or otherwise, and the Director of Finance shall approve, consistent with the terms of this Ordinance. No amendment or supplement to a Service Agreement which permits the total aggregate principal amount of the Authorities’ Obligations (at any one time outstanding) described in Section 1 hereof to be exceeded shall be executed unless first approved by ordinance of the Council.

SECTION 3. The issuance of Obligations to refund outstanding Obligations (whether at maturity, through redemption or otherwise) is hereby authorized, and the Director of Finance is hereby authorized to execute and deliver, on behalf of the City, any required amendment or supplement to each related Service Agreement in such form as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance; provided that no amendment or supplement to any such Service Agreement shall permit the issuance of Obligations by any Authority which causes the total aggregate principal amount of the Authorities’ Obligations (at any one time outstanding) described in Section 1 hereof to be exceeded unless first approved by ordinance of the Council.

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SECTION 4. Each Service Agreement authorized by this Ordinance (and any required amendment or supplement thereto) shall be executed in conjunction with the issuance by the related Authority of its Obligations in an aggregate principal amount, together with the aggregate principal amount of any other Obligations issued by such Authority and the other Authorities (at any one time outstanding) that does not exceed that set forth in Section 1 hereof to be applied for the purposes described in Section 1 hereof. The Obligations shall not be executed or delivered until the Director of Finance has approved the terms thereof.

SECTION 5. The City covenants to budget and make appropriations beginning in Fiscal Year 2022 and in each and every fiscal year thereafter in such amounts as shall be required in order to make timely all Service Fee payments due and payable and to pay timely all other amounts due and payable under each Service Agreement.

SECTION 6. As long as the Obligations issued by an Authority are outstanding, the City covenants unconditionally to make all Service Fee payments and pay all other amounts due as provided for under the related Service Agreement directly to any trustee and/or other entity (each, a "Trustee") to which such Service Fee may be assigned as security for payment of the Obligations issued by such Authority, any other payments due to a lender or a holder with respect to any Obligations, and the obligations of such Authority under any credit facility and/or liquidity facility securing the related Obligations, only out of current revenues of the City, which payments shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever and regardless of any rights of set-off, recoupment or counterclaim that the City may have against any Authority or any Trustee or any holder of Obligations, any credit provider or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise after the date thereof.

SECTION 7. The City agrees to be bound by each and every provision, covenant and agreement set forth in the Service Agreements.

SECTION 8. The Director of Finance and all other proper officials of the City are hereby authorized, jointly and severally, on behalf of the City, to execute all documents (including without limitation one or more continuing disclosure agreements, letters of representation, continuing covenant agreements, escrow agreements, reimbursement agreements for any lines or letters of credit, and intergovernmental or other cooperation agreements with one or more Authorities and/or other appropriate parties, as directed by the Director of Finance) as may be necessary in order to accomplish the intent and purpose of this Ordinance and the Project, and to take all actions as may be required by the Constitution and the laws of the Commonwealth of Pennsylvania in order to effectuate the financing approved hereby and the issuance of the Obligations.

SECTION 9. The Council reasonably expects that the proceeds of each series of tax-exempt Obligations will be expended for the Project within three years of the issuance of each such series and will not take any action or omit to take any action which would cause the

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expenditure of the proceeds of tax-exempt Obligations for the Project to proceed other than with due diligence.

SECTION 10. In accordance with Treasury Regulations §1.150-2, the City hereby states its intention that a portion of the proceeds of the Obligations which are issued as tax-exempt, will be used to reimburse itself or an Authority for expenditures for costs of the Project paid prior to the date of issuance of one or more series of the Obligations. The maximum principal amount of Obligations expected to be issued for the Project is \$400,000,000.

SECTION 11. This Ordinance shall take effect immediately.

EXHIBIT A

EXHIBIT A

The Neighborhood Preservation Initiative (the "Program") includes programs to be undertaken and/or administered by the Authority and the City, to improve and enhance housing, small business, commercial corridors and neighborhood infrastructure within the City in order to promote the health, welfare and safety of the residents of the City, prevent and eliminate blight, and encourage the provision of healthful homes, a decent living environment and adequate places of employment for residents of the City through redevelopment, renewal, rehabilitation, housing, conservation, urban beautification and/or commercial section and neighborhood development activities. The Program may include (a) the creation, expansion, implementation and funding of housing programs to produce, maintain and stabilize the City's affordable housing inventory for the benefit of the residents of the City; (b) direct support to small businesses in order to facilitate place-based development in commercial areas at risk of deterioration and/or in or near low-income and middle neighborhoods; (c) the creation and/or expansion of programs for the City's commercial corridors by providing funding for streetscapes; repairs, new construction and renovations necessary to help small business and property owners in low and moderate income corridors make investments that will benefit the entire corridor; and (d) the creation of programs and financing mechanisms for improvement or enhancement of neighborhood infrastructure which shall include and not be limited to shared alleys, driveways and retaining walls for the benefit of residents of the City.

The Authority will, to the extent requested by the City, select, or otherwise cooperate with the City in the selection of certain governmental, non-profit and other entities, including MWDBE-contracting entities (Emerging Contractors), as Program Intermediaries (PIs) to assist in carrying out various program delivery activities, including enforcing, in accordance with applicable law, by means of liquidated damages, contract termination or debarment, MWDBE participation goals established for the Program by any applicable Economic Opportunity Plan. To the extent that the City may utilize PIs to administer elements of the Program and perform specified activities in connection with the Program, the Authority will cooperate with the City in the oversight, administration and coordination of such activities of such PIs to the extent directed by the City. The City and the Authority may also mutually determine that the Authority will carry out certain program delivery activities directly on behalf of the City.

Proceeds of Obligations will be used for some or all of the following Program costs (either incurred directly, or on a reimbursement basis, by the City, the Authority or PIs). Any of the programs described below may be funded through use of an existing funding mechanism, or establishment of a new funding mechanism administered by a community development financial institution (CDFI) or other PI acceptable to the City and the Authority from which may be made direct payments for costs of property acquisition, construction or improvements, or grants or loans in connection with carrying out various program delivery activities. Loans may be made at zero interest rates. No proceeds shall be used to acquire an equity interest in any proprietary entity. Without intending to limit the application of proceeds of Obligations to finance other proper Program expenses, such proceeds may be used to: (i) pay fees (other than referral fees) and costs for program related services rendered to homeowners, renters and small business owners participating in programs, (ii) provide credit and similar counseling and advisory services to homeowners, renters and small business ownership in connection with application processes, (iii) pay the costs of retaining one or more third party evaluation organizations to collect data on a particular program, verify outcomes, and produce reports on the impact of the particular program, and (iv) pay the cost of administration of the respective parts of the Program by the City, the Council, the Authority, the Philadelphia Housing Development Corporation, Philadelphia Industrial Development Corporation or such other PIs as determined by the City, the Council and the Authority, including, but not limited to, third party consulting services, staff time and internal resources

expended managing an applicable program, processing invoices, providing accounting services, overseeing contracts and carrying out annual audits.

Rental Assistance: Providing grants through one or more existing or similar new programs either to landlords or directly to tenants to provide rental payment support for tenants who are low-income or rent burdened (i.e., spend more than 30% of their household income on housing-related expenses).

Small Landlord Loan Program: Making loans to small landlords (30 or fewer units in the portfolio for the particular landlord) to be used for making property repairs/improvements, addressing building code or lead-paint issues, or for use as working capital for costs related to the rental properties of such small landlords incurred in the ordinary course of their business.

Basic System Repair Program (BSRP): Providing grants to homeowners with household income of up to 50% of area median income (AMI) to fund repairs to correct electrical, plumbing, heating, structural and roofing emergencies in owner-occupied homes which are eligible according to the BSRP's existing criteria.

Adaptive Modifications Program (AMP): Providing grants to disabled renters (with permission of the related property owner) and homeowners with household income of up to 50% AMI to fund adaptation projects to provide easier access to and mobility within their homes which are eligible according to the AMP's existing criteria.

PhillyFirstHome (PFH): Providing grants or forgivable loans of up to \$10,000 (subject to federal or commercially prevailing inflation adjustors) (or up to 6% of the relevant home's purchase price, whichever is lower) for first-time homebuyers (or other homebuyers eligible in accordance with existing PFH guidelines) which funds are available to reduce the principal of homebuyer loans and cover down payment and loan closing costs for such homebuyers with household incomes of up to 120% AMI. Loan forgiveness is generally conditioned upon the homeowner remaining in the home for 15 years. If the home is sold prior to the end of the 15-year period, the loan must be repaid. A waiver may be issued under extenuating circumstances on a case-by-case basis due to factors such as loss of a job, job relocation or illness.

Tangled Title (TT): Providing grants of up to \$4,000 per applicant (subject to federal or commercially prevailing inflation adjustors) to cover any costs that are involved with helping low-income homeowners obtain clear title to their homes. All of the funds for the TT program are dispersed to third party vendors who perform the work needed to clear title.

Eviction Diversion Program (EDP): Providing funding for housing counseling and legal services for tenants and mediation services for tenants and landlords in accordance with existing EDP guidelines to help tenants avoid eviction, provided that no proceeds shall be paid directly to tenants or landlords. All of the funds for the EDP are dispersed to third party vendors who administer and provide services related to the EDP.

Housing Production (HPro) – Providing loans and/or grants to PIs, homeowners, property owners and developers for costs of rehabilitation, property acquisition and new construction, and providing funds for property acquisition directly by the City, to increase the production of affordable homeownership

and rental housing. The major components of the HPro program will consist of programs in the following areas for which proceeds may be expended:

Blueprint for Homeownership – Providing loans of up to \$100,000 (subject to federal or commercially prevailing inflation adjustors) directly to first time homebuyers to buy down the cost of new construction units on publicly held land. These loans will be secured through a second mortgage placed on the property. The term of the loan will be for up to 30 years with a portion of the loan forgiven over certain years, such that by year 30 the loan will be completely forgiven. Should a sale of the property occur in the first 15 years of the loan, the loan will become due and payable in full. Waivers may be provided on a case by case basis due to factors such as job loss, job relocation or illness.

Low-Income Housing Tax Credit Projects – Providing funding as long-term, low interest subordinate debt to fill financing gaps for low-income housing projects which have already secured a reservation of tax credits.

Increased Rental Affordability – Providing grant funding as short-term rent assistance to buy down the cost of rent for newly created units to make them affordable to low- and very-low income tenants, including with respect to projects that may include a mix of units at market rate rents and certain percentages of median rental prices.

Acquisition – Providing grant funding via the Philadelphia Land Bank to purchase properties at Sheriff Sale in order to complete development parcels for the development of affordable and mixed-income housing units.

Housing Preservation (HPres): Providing loans and/or grants to PIs, property owners and developers for costs of existing property acquisition and rehabilitation, and providing funds for existing property acquisition and rehabilitation directly by the City or PIs for potential resale, to preserve existing affordable rental housing, with special emphasis on the preservation of Low-Income Housing Tax Credit rental housing developments. The major components of the HPres program will consist of programs in the following areas for which proceeds may be expended:

Preservation Acquisition Funds – Providing funds for the public, private or not for profit acquisition of rental units at risk of being converted to market-rate units. This may include properties with expiring tax credits, projects placed on the open market for sale or naturally occurring affordable housing that is at risk of market-rate conversion, including the payment of settlement and other costs related to the acquisition and transfer of such properties and costs related to maintaining, managing and holding properties prior to their resale or other conveyance.

Capital Improvements – Providing funds to be used to make capital improvements to existing affordable units. These improvements may take the form of wholesale rehabilitation or may include specific capital needs such as roof replacement, new heating system, energy upgrades or accessibility improvements.

Permanent Homeless Housing (PHH): Providing funds for the City or PIs to improve existing properties or provide for the costs of the acquisition of properties and their transfer to responsible owners/managers who will maintain the properties' suitability for permanent housing

options for homeless residents, including the funding of loans to property owners and developers, the payment of settlement and other costs related to the acquisition and transfer of such properties and costs related to maintaining, managing and holding properties prior to their resale or other conveyance, any of the foregoing of which may be implemented in whole or in part through the funding of an acquisition and capital improvements fund. The major components of the PHH program will consist of programs in the following areas for which proceeds may be expended:

Acquisition – Providing funds for the acquisition of properties to provide for permanent housing for currently homeless individuals. Funding would either take the form of direct property purchases to bring properties into the public inventory or as long-term, subordinate loans to third party providers to acquire properties.

Capital Improvements – Providing funds to either directly fund capital improvements for property in public inventory or as long-term, subordinate loans to private, third party owners to make capital improvements to create or maintain units for permanent, homeless housing. Capital improvements may take the form of rehabilitation in order to convert a property from its current or former use into a homeless housing facility or may include specific capital needs such as roof replacement, new heating system, energy upgrades or accessibility improvements.

Small Landlord Incentive Program – Providing funds in the form of grants to provide incentives, such as an upfront participation payment (per unit) and a rental loss and damages reserve (per unit) for rental property owners who commit to renting to people with rental assistance vouchers or other subsidy for a period commensurate with receiving public funding support, but no less than a period of 3 years to encourage their participation in providing housing to people exiting homelessness.

Direct Support to Small Businesses: Providing grants and loans for start-up and growth-oriented small, Historically Disadvantaged businesses (including funding to a local CDFI to administer a fund to provide such capital to such businesses and/or funding to an organization constructing a business incubator for Historically Disadvantaged businesses) for capital expenditures for construction, improvement, renovation and rehabilitation of property and working capital expenditures for property repairs, property management services and rent support to support place-based business development in commercial areas at risk of deterioration and/or in or near low-income and middle neighborhoods, in order to alleviate and prevent blight and foster the development of adequate places of employment.

Investment in Neighborhood Commercial Corridors (INCC):

Providing grants and loans and technical assistance (funded through CDFIs) to enable small business owners and local community development corporations (CDCs) to purchase and/or renovate commercial corridor properties in order to mitigate commercial vacancy and increase community ownership of small businesses which may be implemented through a Commercial Real Estate Acquisition Fund established by a CDFI that will provide loans, grants, and technical assistance in furtherance of an anti-displacement and poverty fighting program.

Funding direct support for critical corridor business repairs (interior and exterior), new construction, and upper floor renovations programs, including through the InStore and Storefront Improvement Program necessary to help small business and property owners in low and moderate income corridors make capital investments that will benefit the entire corridor, improve safety and attractiveness, and decrease vacancy with outcome of increasing foot traffic and revenues.

Funding improvements to publicly owned property for full streetscapes (i.e. curb, sidewalk, crosswalks and lighting) as well as “a la carte” infrastructure and projects to bring needed lighting, trash receptacles, landscaping, beautification, signage, and other improvements to commercial corridors outside of the City’s central business district for the purpose of promoting equitable development in placemaking in corridors around the City.

Neighborhood Infrastructure Program: Providing grants or loans to property owners for improvement or enhancement of privately owned neighborhood infrastructure for the benefit of the residents of the City which may include retaining walls. Retaining walls to be improved will in particular include those that are classified by the City as imminently dangerous or unsafe under the City Code. Improvements to other private assets in disrepair (e.g., driveways, alleys, sidewalks, trees and sewers) that may create dangerous or unhealthy conditions may also be funded. The City may cause improvements or enhancements to be made directly to property and impose assessments to adjacent property owners to recover costs.

ADDENDUM
Economic Opportunity Plan Template

ADDENDUM
Economic Opportunity Plan Template

Project name:

Name of developer:

Headquarters location:

No. employees:

Annual revenues:

Project budget (construction):

Project budget (professional services):

City of Philadelphia Economic Opportunity Plan



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I. Introduction and Definitions

The City of Philadelphia strongly encourages the use of certified Minority ("MBE"), Women ("WBE"), Disabled ("DSBE") and Disadvantaged ("DBEs") Business Enterprises (collectively, "M/W/DSBEs") and minority and female workers in all aspects of **NAME OF THE PROJECT** (the "Project") located at **LOCATION OF THE PROJECT** ("the Site") which may include financial investment, design, construction, and operations.¹ In support of this objective, the City of Philadelphia will require that **OWNER/DEVELOPER** (the "Owner") commit to this Economic Opportunity Plan ("EOP" or "Plan"). This Plan contains ranges of projected M/W/DSBE utilization and goals for the employment of minority and female workers in connection with the Project at the Site. This Plan shall be a part of and incorporated into the resulting agreement(s) with the owners of the **NAME OF THE PROJECT**.

The Owner hereby verifies that all information submitted to the Office of Economic Opportunity ("OEO") in response to this Plan is true and correct and takes notice that the submission of false information is subject to the penalties of 18 PA C. S. Section 4904, relating to unsworn falsification to authorities and 18 PA C. S. Section 4107.2 (a)(4), relating to fraud in connection with minority business enterprises or women's business enterprises.

For the purposes of this Plan, MBE, WBE, DBE and DSBE shall refer to certified businesses so recognized by OEO. Only the work or supply efforts of firms that are certified as M/W/DSBEs by an OEO-approved certifying agency will be eligible to receive credit as a Best and Good Faith Effort.² In order to be counted, certified firms must successfully complete and submit to the OEO an application to be included in the OEO Registry which is a list of registered M/W/DSBEs maintained by the OEO and available online at <https://phila.mwdsbe.com/>.

For this Plan, the term "Best and Good Faith Efforts," the sufficiency of which shall be in the sole determination of the City, means: efforts, the scope, intensity and appropriateness of which are designed and performed to foster meaningful and representative opportunities for participation by M/W/DSBEs and an appropriately diverse workforce and to achieve the objectives herein stated. Best and Good Faith Efforts are rebuttably presumed met when commitments are made within the M/W/DSBE participation ranges established for the Project and a commitment is made to employ a diverse workforce as enumerated herein.

II. Project Scope

III. Goals

A. M/W/DSBE Participation Ranges

As a benchmark for the expression of "Best and Good Faith Efforts" to provide meaningful and representative opportunities for M/W/DSBEs in the Project, the following participation ranges have been established. These participation ranges represent, in the absence of discrimination in the solicitation and selection of M/W/DSBEs, the percentage of MBE, WBE and DSBE participation that is reasonably attainable through the exercise of Best and Good Faith Efforts. These percentages relate to the good faith estimated cost of the entire Project. In order to maximize opportunities for as many businesses as possible, a firm that is certified in two or more categories (e.g., MBE and WBE and DSBE or WBE and DSBE) will

¹ Disadvantaged Business Enterprises ("DBEs") are those socially or economically disadvantaged minority and woman owned businesses certified under 49 C.F.R. Part 26.

² A list of "OEO approved certifying agencies" can be found at www.phila.gov/oEO

only be credited toward one participation range as either an MBE or WBE or DSBE. The ranges are based upon an analysis of factors such as the size and scope of the Project and the availability of MBEs, WBEs, and DSBEs to participate in this development.

The following contract goals have been set for the Project:

Contracts	Minority Owned	Female Owned	DSBE	Total
Construction	20-25%	15-20%	BGFE	35-45%

B. Employment Goals

The Owner agrees to exhaust its Best and Good Faith Efforts to employ minority persons, by race and ethnicity, and females in its workforce of apprentices and journeypersons at the following levels:

- African American journeypersons: **22%** of all ~~journey~~ hours worked across all trades
- Asian journeypersons: **3%** of all journey hours worked across all trades
- Hispanic journeypersons: **15%** of all journey hours worked across all trades
- Female journeypersons: **5%** of all journey hours worked across all trades

- Minority apprentices: **50%** of all hours worked by all apprentices
- Female apprentices: **5%** of all hours worked by all apprentices

Local Residents
50%

The Owner will be required to submit to the City, no later than seven (7) days before the starting date of work on any such contract, a Workforce Diversity Goal Plan which shall include specific availability and utilization strategies for meeting the Workforce Diversity goals. The City’s Labor Standards Unit shall have the responsibility of administering oversight of these Workforce Diversity Goals including evaluating the sufficiency of the Workforce Diversity Goal Plan, and monitoring the successful Bidder’s Best and Good Faith Efforts towards realization of the goals throughout the duration of the contract.

IV. Equity Ownership

The Philadelphia Code 17-1603 requires that each Economic Opportunity Plan include information concerning the Equity Ownership (as defined) of (1) the contractor, developer and/or recipient of financial assistance required to submit the Plan; (2) participants (as defined) engaged by the contractor, developer and/or recipient of financial assistance; and (3) the eventual owner or owners of the project or contract to which the Plan relates; and requiring periodic reports for the purpose of updating Equity Ownership information; all under certain terms and conditions.

Identify the current equity owners of the project.

Type of Ownership	% Minority Owned	% Women-Owned	% Disabled Persons
Sole Proprietorship			
Partnership			
Corporation			

If the project is privately owned, the following individuals will become the anticipated Equity Owners upon completion.

Type of Ownership	% Minority Owned	% Women-Owned	% Disabled Persons
Sole Proprietorship			
Partnership			
Corporation			

Following the completion of the project, the project owner is responsible for meeting the reporting guideline identified in the Philadelphia Code.³

V. Diversity Practices

In compliance with Chapter 17-1603, the Economic Opportunity Plan shall contain a statement from the contractor, developer, and/or recipient of financial assistance summarizing past practices by identifying and describing examples of processes used to develop diversity at any/all levels of its organization including, but not limited to, Board and managerial positions. This statement shall also summarize strategic business plans specific to current or past practices of M/W/DSBE utilization on government and non-government projects and procurement.

1. Describe employment and recruitment policies used to achieve diversity in your workforce.

2. Provide the race, gender, and residential (local) status of your:

A. Directors	
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³ Per The Philadelphia Code 17-1603: *Continuing Reporting Requirements*.

(i) Within 30 days of each anniversary of the date that the Plan is finally certified, the contractor, developer and/or recipient of financial assistance shall file with the Chief Clerk of Council and the certifying agency an addendum to the original Plan that provides the Equity Ownership information required in subsection (g)(.2), updated so that it is accurate as of the anniversary date. This requirement shall continue until the project is completed.

(ii) The final EOP report required pursuant to § 17-1604(2)(.a) shall include updated Equity Ownership information that is accurate as of the date of the final report.

(iii) After the final EOP report has been filed, the owner or owners of the completed project shall have a continuing obligation to file a Statement of the owner's or owners' Equity Ownership within 30 days of each anniversary of the date that the final EOP report is submitted. The Statement shall be accurate as of the relevant anniversary date, and shall be filed with the Chief Clerk of Council and the certifying agency. No Statement shall be required if the completed project is not privately-owned.

B. Management	
C. General Workforce	

3. Identify your organization’s methods of solicitation and utilization of Minority, Woman and Disabled Businesses (M/W/DSBEs). Please be specific in describing outreach and any procurement policies that are focused on creating or sustaining business relationships with M/W/DSBEs.

4. What percentage of your company’s total spend with vendors and suppliers is attributable to M/W/DSBEs? Please include a list of the largest M/W/DSBEs used by your organization in the last 12 months.

5. Describe any initiatives made by your organization to increase investment and promote equity ownership by minorities and women.

6. The Plan shall contain a statement from the contractor, developer or recipient of financial assistance identifying all City contracts and financial assistance entered into or received by the entity and by any related corporate entities in the three years before execution of the EOP, or such greater amount of time as may be set forth in the record retention requirement of an applicable EOP, that were subject to an EOP that contained M/W/DSBE goals and/or workforce diversity goals. For purposes of this subsection (f.1), “related corporate entities” means any business entity controlled by a person or business with a majority interest in the business agreeing to the EOP.

VI. Responsiveness

A. The owner shall identify M/W/DSBE commitments and other agreements evidencing their intent to use Best and Good Faith efforts to employ minority persons and females at the levels stated herein. The identified commitments constitute a representation that the M/W/DSBE is capable of providing commercially useful goods or services relevant to the commitments and that the Owner has entered into legally binding commitments or other legally binding agreements with the listed M/W/DSBEs for the work or supply effort described and the dollar/percentage amounts set forth. In calculating the percentage of M/W/DSBE participation, the standard mathematical rules apply in rounding off numbers. In the event of inconsistency between the dollar and percentage amounts listed on the form, the percentage will govern.

B. M/W/DSBE commitments are to be memorialized in a written subcontract agreement. Letters of intent, quotations, contracts, subcontracts and any other documents evidencing commitments with M/W/DSBEs become part of and an exhibit to the Agreement resulting from the RFP.

C. OEO will review the owner's commitments for the purpose of determining whether Best and Good Faith Efforts have been made. OEO reserves the right to request further documentation and/or clarifying information at any time during the construction and development of the Project.

VII. Compliance and Monitoring of Best and Good Faith Efforts

A. The owner agrees to cooperate with OEO in its compliance monitoring efforts, and to submit, upon the request of OEO, documentation relative to its implementation of the Plan, including the items described below:

- Copies of signed contracts and purchase orders with M/W/DSBE subcontractors
 - Evidence of payments (cancelled checks, invoices, etc.) to subcontractors and suppliers to verify participation; and
 - Telephone logs and correspondence relating to M/W/DSBE commitments.
- To the extent required by law, the Owner shall ensure that its on-site contractors maintain certified payrolls which include a breakout of hours worked by minority and female apprentices and journeymen. These documents are subject to inspection by OEO.

B. Prompt Payment of M/W/DSBEs

The owner agrees and shall cause its contractors to ensure that M/W/DSBEs participating on the Project receive prompt payment for their work or supply effort within five (5) days after receipt of payment from the project owner.

C. Oversight Committee

For this Project, an Oversight Committee ("Committee") must be established if the project budget exceeds five million dollars. With the sole discretion of the City, an oversight committee may consist of representatives from the Owner, representatives of the building trades, the construction manager, and the City which may include the Project site's district councilperson, OEO, and appropriate community organizations. The Committee will meet regularly to provide advice for the purpose of facilitating compliance with the Plan.

D. Reporting

The owner agrees to file an annual report with the City of Philadelphia and City Council concerning the performance of the Economic Opportunity Plan through the duration of the Project. In addition, during construction, the Owner will provide "snapshot" reports containing updates for certain categories of information contained in its annual report on a monthly basis during construction. Snapshot reporting will include: (i) utilization of M/W/DSBEs, and (ii) the hiring and employment of minorities and females. All reports (quarterly & annually) provided to the City under this section will also be provided to the Office of Economic Opportunity.

VIII. Remedies and Penalties for Non-Compliance

A. The owner agrees that its compliance with the requirements of this Plan is material to the Agreement. Failure to comply with the Plan may constitute a substantial breach of the Agreement and is subject to the remedies and penalties contained therein or otherwise available at law or in equity. Notwithstanding the foregoing, no privity of contract exists between the City and any M/W/DSBE identified in any contract resulting from implementation of the Plan. Neither the Owner nor the City intends

to give or confer upon any such M/W/DSBE any legal rights or remedies in connection with subcontracted services under any law or policy or by any reason of any contract resulting from implementation of the Plan except such rights or remedies that the M/W/DSBE may seek as a private cause of action under any legally binding contract to which it may be a party.

_____,
 INSERT PROJECT OWNER REP NAME (PLEASE PRINT)⁴ Date
 INSERT TITLE
 INSERT COMPANY NAME
 INSERT ADDRESS
 INSERT TELEPHONE AND EMAIL ADDRESS

_____,
 Iola Harper⁵ Date
 Deputy Commerce Director for the Office of Economic Opportunity
 Department of Commerce
 City of Philadelphia

⁴ The Owner's Representative is required to sign and date, but the City reserves the right to obtain the Owner's Representative signature thereon at any time prior to Plan certification. The Owner Representative will receive from the City a certified copy of its Plan which should be filed with the Chief Clerk of City Council within fifteen (15) days of the issuance and published by OEO, in a downloadable format, on the OEO website.

⁵ Pursuant to Section 17-1603 (2) of The Philadelphia Code, the representative of the City of Philadelphia's Office of Economic Opportunity, the "certifying agency", certifies that the contents of this Plan are in compliance with Chapter 17-1600.

EXHIBIT B

SERVICE AGREEMENT
BETWEEN
[PHILADELPHIA REDEVELOPMENT AUTHORITY]
AND
THE CITY OF PHILADELPHIA, PENNSYLVANIA

Dated as of [_____ 1, 2021]

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SERVICE AGREEMENT

This Service Agreement made and entered into as of the 1st day of [_____, 2021], between the [PHILADELPHIA REDEVELOPMENT AUTHORITY], a public body and a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania (the “Authority”), and THE CITY OF PHILADELPHIA, PENNSYLVANIA, (the “City”) a corporation and body politic, and city of the first class of the Commonwealth of Pennsylvania (the “Commonwealth”).

WITNESSETH:

WHEREAS, the Authority is a public body and a body corporate and politic existing under the laws of the Commonwealth [and organized pursuant to the Pennsylvania Urban Redevelopment Law, as amended and supplemented] (the “Act”); and

WHEREAS, the Authority exists and operates under the Act for the public purposes of [the elimination of blighted areas through economically and socially sound redevelopment of such areas, as provided by the Act, in conformity with the comprehensive general plan of the City for residential, recreational, commercial, industrial or other purposes, and otherwise encouraging the provision of healthful homes, a decent living environment and adequate places of employment for the people of the Commonwealth]; and

[WHEREAS, under the Act and the Redevelopment Cooperation Law (defined below), the Authority has all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Act and the Redevelopment Cooperation Law including, inter alia, the powers to cooperate with the City and to act as agent for the City for the public purposes set out in the Act; and to issue bonds of the Authority for any of its corporate purposes; and]

[WHEREAS, the City is authorized by the Pennsylvania Redevelopment Cooperation Law, as amended and supplemented (the “Redevelopment Cooperation Law”) to enter into agreements with the Authority respecting action to be taken by the City pursuant to any of the powers granted by the Redevelopment Cooperation Law; to make such appropriations to the Authority as are deemed necessary to assist the Authority in carrying out its public purposes; and to designate the Authority as the City’s agent within the Authority’s field of operation to perform any specified activity or to administer any specified program which the City is authorized by law to do in furtherance of the public purposes specified in the Act; and]

WHEREAS, the City is authorized by law to undertake the Program (as defined below), and the Program furthers the public purposes specified in the Act; and

WHEREAS, neither the Commonwealth nor the United States offers a program which duplicates the respective programs constituting the Program; and

WHEREAS, the Authority and the City have determined, in accordance with the Ordinance (hereinafter defined), that: (i) the Authority will, at the direction and with the cooperation of the City, by entering into this Service Agreement, undertake housing, small business, commercial corridors, and neighborhood infrastructure programs referred to as the “Neighborhood Preservation Initiative” (collectively, the “Program”) to improve and enhance affordable housing, small businesses, commercial corridors and neighborhood infrastructure within the City in order to encourage the provision of healthful homes and a decent living environment, eliminate blight, preserve critical affordable housing, respond to inadequacies in the supply of residential owner-occupied and rental housing in the City, encourage the

provision of adequate places for employment, and promote economic activity to improve the health, welfare and safety of the residents of the City as further described in the Ordinance; (ii) the Authority will issue its revenue bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) to finance or refinance certain costs of the Program and (iii) the City will pay to the Authority the Service Fee described herein; and

WHEREAS, the City Council of the City (the “City Council”), by Ordinance (Bill No. [____]), adopted [____], 2021, and approved by the Mayor on [____], 2021 (the “Ordinance”) has: (i) authorized and approved the execution and delivery of this Service Agreement; (ii) approved the issuance from time to time by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in an aggregate principal amount not to exceed the amount described in the Ordinance, net of original issue discount, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations (as defined in the Indenture described below), interest on Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the Program, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations; and (iii) authorized and approved the performance by the City of its obligation to pay in full when due the Service Fee (as defined herein) and other amounts payable hereunder; and

WHEREAS, at the request of the City, the Authority has determined to provide financing for certain costs of the Program by issuing the [2021 Obligations] (as defined in the Indenture described below) as Obligations under the Indenture together with costs of issuance of the [2021 Obligations] (together, the “[2021 Project]”); and

WHEREAS, the Authority is entering into a trust indenture of even date herewith (as supplemented from time to time in accordance with the terms thereof, the “Indenture”) between the Authority and the Trustee (as defined herein) for the purpose of issuing the Obligations and securing the payment thereof; and

WHEREAS, to secure the payment of the Obligations and any Credit Facility Payment Obligations (as defined in the Indenture), on such basis as is further provided in the Indenture, the Authority will assign to the Trustee all of its right, title and interest in and to this Service Agreement, as amended and supplemented from time to time (except for the Reserved Rights, as defined herein), for the equal and ratable benefit of holders from time to time of Obligations and, to the extent provided in the Indenture, any Credit Issuer (as defined in the Indenture), including the Authority’s right to receive the payments of the Service Fee due from the City hereunder; and

WHEREAS, the execution and delivery of this Service Agreement and the performance of their respective obligations hereunder has been in all respects duly and validly authorized by the Authority and the City;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto, intending to be legally bound, agree as follows:

Article I DEFINITIONS

Section 101. Definitions of Terms. Unless otherwise defined herein, all words and terms defined in the recitals hereto and in Article I of the Indenture shall have the meanings set forth therein and

herein. All references herein to the “Debt Service Fund” and the “Revenue Fund” shall mean the Funds so designated which are established with the Trustee pursuant to the Indenture. Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Indenture. In addition, the following terms shall have the following meanings unless the context otherwise requires:

“**Administrative Expenses**” shall mean the reasonable fees and expenses of the Authority (including the Authority’s closing fee with respect to the [2021 Obligations]) and the Trustee and any paying agent, remarketing agent or other fiduciary or agent appointed under the Indenture, including reasonable legal fees and expenses, in connection with the issuance of any Obligations, the administration of the Indenture, the performance of the Authority’s obligations under this Service Agreement, or in connection with inquiring into, or enforcing the performance of, the City’s obligations under this Service Agreement or the Indenture. “Administrative Expenses” do not include annual fees or any other amounts required to be paid by the City to the Authority pursuant to the Intergovernmental Cooperation Agreement, dated [_____, 2021], between the Authority and the City.

“**Annual Debt Service Requirement**” shall mean, with respect to each Fiscal Year, the sum of the amounts required to be paid by the Authority in such Fiscal Year for (i) the payment of principal and mandatory sinking fund redemption of and interest on, or any other payments with respect to, the Obligations and (ii) the payment of any Credit Facility Payment Obligations.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations thereunder, as the same may be amended from time to time. Reference herein to any specific provision of the Code shall be deemed to refer to any successor provision of the Code.

“**Costs**” shall mean all costs of the Program which the City or the Authority is authorized to incur under applicable law (including the Act [and the Redevelopment Cooperation Law]) and includes Costs of Issuance.

“**Event of Default**” shall mean any of the events described in Section 601 hereof.

“**Fiscal Year**” shall mean the annual accounting year of the City, which currently begins on July 1 of each year.

“**Reserved Rights**” shall mean the rights of the Authority to receive payments of Administrative Expenses under subsections 404(a) and 404(b) hereof and the rights of the Authority under Sections 505, 507 and 710 hereof, and the right to enforce each of the same.

“**Service Fee**” shall mean the Service Fee payable from the City hereunder as set forth in Section 401 hereof.

“**Trustee**” shall mean U.S. Bank National Association, as trustee under the Indenture, and its successors as trustee thereunder.

Article II REPRESENTATIONS AND WARRANTIES

Section 201. Representations and Warranties of the Authority. The Authority hereby represents and warrants as follows:

(a) it is a public body and a body corporate and politic duly organized and existing under the laws of the Commonwealth with the power to enter into this Service Agreement and the transactions contemplated hereby and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Service Agreement, the [2021 Obligations] and the Indenture;

(b) the issuance and sale of the [2021 Obligations], the execution and delivery of this Service Agreement and the Indenture by the Authority and the performance of all covenants and agreements of the Authority contained in this Service Agreement and of all other acts and things required under the Constitution and laws of the Commonwealth to make this Service Agreement a valid and binding obligation of the Authority in accordance with its terms, are authorized by the Act [and the Redevelopment Cooperation Law] and have been duly authorized by proceedings of the Authority adopted or passed at meetings thereof duly called and held, and at which a quorum was present and acting at all relevant times;

(c) the Program will further the public purposes of the Act [and the Redevelopment Cooperation Law] and the purposes for which the Authority was created and continues to exist; and

(d) this Service Agreement has been duly executed on behalf of the Authority by its duly authorized officers and is the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium, arrangement or other similar laws or legal or equitable principles affecting creditors' rights generally.

Section 202. Representations and Warranties of the City. The City hereby represents and warrants as follows:

(a) it is a corporation and body politic and a city of the first class of the Commonwealth duly organized and existing under the laws of the Commonwealth with the power to enter into the transactions contemplated by this Service Agreement and to carry out its obligations hereunder and, pursuant to the Ordinance, has duly authorized the execution and delivery of this Service Agreement and has duly approved the issuance of the Obligations and the Indenture;

(b) the authorization and undertaking of the Program, the execution and delivery of this Service Agreement by the City and the performance of all covenants and agreements of the City contained in this Service Agreement and of all other acts and things required under the Constitution and laws of the Commonwealth to make this Service Agreement a valid and binding obligation of the City, enforceable in accordance with its terms, are authorized by the Philadelphia Home Rule Charter, the Act [and the Redevelopment Cooperation Law] and have been duly authorized by the Ordinance duly adopted by the City Council and approved by the Mayor;

(c) neither the Commonwealth nor the United States offers a program which duplicates the respective programs constituting the Program;

(d) this Service Agreement has been duly executed on behalf of the City by its duly authorized Director of Finance and is the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium, arrangement or other similar laws or legal or equitable principles affecting creditors' rights generally; and

(e) the Ordinance remains in full force and effect on and as of the date of the delivery of this Service Agreement.

Article III
THE PROGRAM

Section 301. Funding of the Program. Upon the issuance of the [2021 Obligations], the Authority shall cause the proceeds thereof to be deposited in the funds and accounts established under the Indenture as set forth therein. Proceeds of any Additional Obligations shall be applied as set forth in the applicable Supplemental Indenture or in an Authority Certificate approved by the Director of Finance.

Section 302. The Program.

(a) The City and the Authority hereby agree to undertake the Program. In undertaking the Program, the Authority will act at the direction of and with the cooperation of the City. The Authority agrees to cooperate with the City and take all actions which are reasonably necessary to facilitate the Program.

(b) Proceeds of the [2021 Obligations] shall be applied to pay or reimburse costs of the [2021 Project] in accordance with the Indenture, the Act, [the Redevelopment Cooperation Law] and the Ordinance. A Project Fund has been established under the Indenture to hold the proceeds of the [2021 Obligations] prior to expenditures on Costs of the [2021 Project]. The Authority and the City shall requisition funds from the Project Fund pursuant to the Indenture to pay Costs of the [2021 Project].

(c) [In accordance with Section 1746.1 of the Redevelopment Cooperation Law, the City hereby appoints and designates the Authority as the City's agent within the Authority's field of operation to administer such portions of the respective components of the Program as the City may from time to time direct and to perform any element thereof in accordance with the terms of this Service Agreement and any intergovernmental cooperation agreement between the Authority and the City. The Authority hereby accepts the foregoing appointment and designation and, in consideration of the Service Fee, agrees to administer such portions of the respective components of the Program and implement such elements thereof as the City shall from time to time direct. To the extent that the City may utilize other governmental, non-profit and other entities to administer elements of the Program and perform specified activities in connection with the Program, the Authority agrees to cooperate with the City to aid in the oversight, administration and coordination of such activities of such other governmental, non-profit and other entities to the extent directed by the City.]

Section 303. Compliance with Ordinance. Notwithstanding any other provision of this Service Agreement to the contrary, no proceeds of any Obligations of any series shall be spent except in accordance with the Ordinance.

Section 304. Additional Obligations. Upon the written request of the Director of Finance of the City, the Authority may issue Additional Obligations to refund Outstanding Obligations and to finance Costs of the Program, including amounts necessary for Costs of Issuance of such Additional Obligations, costs of credit or liquidity enhancement, and other amounts necessary to effect any refunding and may also incur Credit Facility Payment Obligations. In connection with the issuance of Additional Obligations and any incurrence of Credit Facility Payment Obligations, the Authority and the City shall enter into an appropriate supplement to this Service Agreement, subject to the provisions of the Ordinance, and shall be deemed to reaffirm on and as of the date of the issuance of any Additional Obligations, all of the representations, warranties and covenants of the Authority and the City set forth in this Service Agreement except to the extent otherwise specified in such supplement.

Article IV
SERVICE FEE

Section 401. Service Fee. In consideration of the undertakings by the Authority under this Service Agreement with respect to the Program, the City agrees to pay as a Service Fee in each Fiscal Year directly to the Trustee, as the assignee of the Authority, the following sums:

(a) The Annual Debt Service Requirement for such Fiscal Year, payable as follows:

(i) On the business day immediately preceding the date such amount is required to be paid to the Holders of the Obligations, the amount which is equal to the principal or redemption price of the Obligations becoming due on such principal maturity date or mandatory sinking fund redemption date, subject to credit for other available funds in the manner provided in the Indenture.

(ii) On the business day immediately preceding each Interest Payment Date, the amount which is equal to interest on the Obligations becoming due on such Interest Payment Date, subject to credit for other available funds in the manner provided in the Indenture.

(iii) On the business day immediately preceding the date such amount is required to be paid to the Holders of the Obligations, any other payment due to the Holders of the Obligations becoming due on such date, subject to credit for other available funds in the manner provided in the Indenture.

(iv) On or before the dates specified in any Credit Facility, the amounts which are equal to any Credit Facility Payment Obligations becoming due on such dates, subject to credit for other available funds in the manner provided in the Indenture.

(b) Notwithstanding any other provision of this Service Agreement, an acceleration of the Authority's payment obligations with respect to the Obligations or any Credit Facility Payment Obligation shall not cause an acceleration of the payment of the Service Fee hereunder.

(c) In lieu of all or a portion of the payments due under subsection (a)(i) above, the City, or at its written direction, the Trustee, may purchase for cancellation Obligations of the series and maturity next becoming due at maturity or upon mandatory sinking fund redemption, subject to the applicable requirements set forth in the Indenture.

The Service Fee shall be payable only out of the current revenues of the City, and the City agrees to provide for the payment of the Service Fee and include the same in its annual operating budget for each Fiscal Year. If the current revenues are insufficient to pay the total Service Fee in any Fiscal Year as the same becomes due and payable, the City covenants to include amounts not so paid in its operating budget for the ensuing Fiscal Year in order to provide sufficient current revenues to pay in each ensuing Fiscal Year such balance due in addition to the amount of Service Fee due for such ensuing Fiscal Year.

The City covenants to make appropriations in each of its Fiscal Years in such amounts as shall be required in order to make all Service Fee payments due and payable hereunder in each of the City's Fiscal Years.

Section 402. No Set-Off. The obligation of the City to make the payments required under this Service Agreement shall be absolute and unconditional. The City will pay without suspension, abatement, reduction, abrogation, waiver or diminution all payments required hereunder regardless of any cause or circumstance whatsoever, which may now exist or may hereafter arise, including, without

limitation, any defense, set-off, recoupment or counterclaim which the City may have or assert against the Authority, the Trustee, any Holder of the Obligations, any Credit Issuer or any other person.

Section 403. Prepayment. The City shall be permitted, at any time and from time to time, to prepay all or any part of the amounts payable under Section 401 hereof together with such other amounts as shall be sufficient to redeem or otherwise pay all or a portion of the Obligations of any series in accordance with the provisions of the Indenture.

Section 404. Other Payments by City. The City shall make the following payments:

(a) the Authority's Administrative Expenses incurred at closing of the [2021 Obligations] and from time to time with respect to any Obligations; and

(b) directly to the Trustee, on behalf of the Authority, upon invoice therefor, the Administrative Expenses of the Trustee as provided in Section 10.04 of the Indenture.

The Administrative Expenses shall be payable only out of the proceeds of the Obligations or the current revenues of the City, and the City agrees to provide for the payment of the Administrative Expenses and include the same in its annual operating budget for each Fiscal Year to the extent not otherwise provided for. If the current revenues are insufficient to pay the total Administrative Expenses in any Fiscal Year as the same become due and payable, the City covenants to include amounts not so paid in its operating budget for the ensuing Fiscal Year in order to provide sufficient current revenues to pay in each ensuing Fiscal Year such balance due in addition to the amount of Administrative Expenses due for such ensuing Fiscal Year.

The City covenants to make appropriations in each of its Fiscal Years in such amounts as shall be required in order to make all Administrative Expense payments due and payable hereunder in each of the City's Fiscal Years.

Section 405. Assignment of Service Agreement. The Authority hereby notifies the City that all the Authority's right, title and interest in and to this Service Agreement, including its rights to receive the above payments (except for the Reserved Rights), shall be irrevocably assigned by the Authority to the Trustee as security for the Obligations and Credit Facility Payment Obligations, as provided in the Indenture, and in furtherance of said assignment the Authority hereby irrevocably assigns all payments by the City hereunder (except for the Reserved Rights) to the Trustee for deposit or application in accordance with this Service Agreement and the Indenture. The City hereby consents to such assignment. The Authority consents to the payment by the City of, and directs the City to pay, all such assigned amounts directly to the Trustee.

Section 406. Excess Funds. After all of the Obligations and Credit Facility Payment Obligations have been paid or payment thereof has been provided for and all interest and applicable premium, if any, due thereon and all other amounts required to be paid under the Indenture have been paid or provision for such retirement and payment has been made in accordance with the Indenture, excess moneys in the funds and accounts established under the Indenture from whatever source derived will be paid to the City. This paragraph shall survive the termination of this Service Agreement.

Article V
FURTHER AGREEMENTS

Section 501. Compliance with Laws. The City covenants that all actions heretofore and hereafter taken by the City or by the Authority upon the request of any officer of the City in connection with the Program, including the making of contracts, have been and will be in full compliance with all pertinent laws, ordinances, rules, regulations and orders applicable to the City. The City acknowledges that any review by the Authority's staff or counsel of any action heretofore or hereafter taken by the City has been or will be solely for the protection of the Authority. Such reviews shall not prevent the Authority from enforcing any of the covenants made by the City.

Section 502. Investments. The City and the Authority agree that all moneys in any fund or account established by the Indenture may be invested in such Investment Securities as the City may direct in writing, as provided in the Indenture.

Section 503. City to Perform Certain Covenants under Indenture. The City acknowledges that it has received an executed copy of the Indenture, and that it is familiar with its provisions, and agrees to be bound to the fullest extent permitted by law to all provisions thereof directly or indirectly relating to it, and that, in consideration of the service of the Authority rendered to the City under this Service Agreement, it will take all such actions as are required of it under the Indenture to preserve and protect the rights of the Trustee, the Holders of the Obligations and Credit Issuers thereunder and that it will not take or effect any action which would cause a default thereunder or impair such rights. The City hereby assumes and agrees to perform all of the covenants and other obligations of the Authority under the Indenture, excepting only any approvals or consents required to be given by the Authority thereunder, and those covenants contained in the Indenture which are not within the control of the City.

Section 504. Provisions Related to Tax-Exemption. Each of the City and the Authority covenants that it, with respect to any Obligations which are initially issued with the expectation that the interest thereon will be federally tax-exempt: (i) will neither make nor instruct the Trustee to make any investment or other use of the proceeds of the Obligations, the interest on which is intended to be excludable from gross income of the Holders thereof for federal income tax purposes, which would cause such Obligations to be "arbitrage bonds" (as defined in Section 148(a) of the Code); (ii) will comply with the requirements of the Code throughout the term of such Obligations so that the interest on such Obligations shall be excludable from gross income for federal income tax purposes; and (iii) will not apply the proceeds of such Obligations in such a manner as would result in the loss of the exclusion of interest on such Obligations from gross income of the Holders for federal income tax purposes. The City further covenants that it will calculate and pay directly to the United States the amount of arbitrage rebate with respect to any such Obligation payable to the United States Treasury under the Code. The Authority agrees to cooperate with the City's undertaking to comply with the arbitrage rebate rules.

Section 505. No Personal Recourse Against Authority; Assumption of Financial Responsibility.

(a) In the exercise of the power of the Authority and its members, officers, employees and agents under this Service Agreement or the Indenture including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Authority nor its members, officers, employees or agents shall be accountable to the City for any action taken or omitted by it or them with respect to the issuance of Obligations except actions constituting bad faith, willful misconduct, gross negligence, fraud or deceit of the Authority or of any member, officer, employee or agent of the Authority. The Authority and such other persons shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of

counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the City for any claims against any member, officer, employee or agent of the Authority alleging personal liability on the part of such person based on this Service Agreement or on the Indenture or based on the Authority's issuance of Obligations.

(b) To the extent authorized by applicable law, and in consideration of the service being rendered by the Authority to the City pursuant to the Act [and the Redevelopment Cooperation Law], the City, but only from current revenues of the City, agrees, to indemnify, defend and hold harmless the Authority and each of its directors, officers, employees, agents and representatives (each an "Indemnified Party" and collectively, the "Indemnified Parties"), against any and all suits, claims or causes of action (collectively, "Claims"), and all liabilities, losses, costs, expenses, judgments and amounts paid in settlement (including without limitation, reasonable attorneys' fees) of every kind (collectively, "Losses"), relating to or arising in connection with the Authority's entering into this Service Agreement, the Indenture or any other documents executed by the Authority in connection with the transactions contemplated in connection with the issuance of Obligations, the performance of any of the Authority's obligations hereunder or thereunder, any acts or omissions with respect to the Authority's interest under this Service Agreement, the Indenture or any other documents executed by the Authority in connection with the transactions contemplated thereby; except in each case to the extent that the Claims and Losses are attributable to the willful misconduct, gross negligence, bad faith, fraud or deceit of any such Indemnified Party; provided, however, that the City's liability hereunder shall not extend to any Claims and Losses attributable to the Authority's ongoing administration of the Program.

(c) In the event any such Claim is made or action brought against any Indemnified Party, the City shall assume the defense of the Claim and any action brought thereon and the City shall pay all expenses incurred therein; or the Authority, with the consent of the City Solicitor, may assume the defense of any such Claim or action, the reasonable costs of which shall be paid by the City; provided, however, that Counsel selected by the Authority to conduct such defense shall be approved by the City and further provided that the City may engage its own Counsel to participate in the defense of any such action.

(d) The City shall have the right to control the defense of any legal proceedings involving any Claims (other than Claims relating to the inherent powers of the Authority), but shall keep the Authority advised as to all material developments in such proceedings. Notwithstanding anything herein to the contrary, the City shall not be required to indemnify or defend any Indemnified Party against any Claims or Losses to the extent such Claim or Loss is the result of the willful misconduct, bad faith, gross negligence, fraud or deceit of the Authority or such Indemnified Party; provided, however, the Authority's taking of any action, or the failure to take any action, which it is permitted to take under the terms of this Service Agreement, the Indenture or any of the documents involved in the issuance of the Obligations, shall under no circumstances be deemed to constitute willful misconduct, bad faith, gross negligence, fraud or deceit; and furthermore, the taking of any action by the Authority at the written direction of the City or the Trustee shall not under any circumstances be deemed to constitute willful misconduct, bad faith, gross negligence, fraud, or deceit.

(e) The City shall not be obligated under paragraphs (b), (c) or (d) above unless the Indemnified Party has given the City prompt and timely notice of matters contemplated by paragraphs (b), (c) or (d) above; provided however, the failure to so notify the City will not relieve the City from any obligation under paragraphs (b), (c), or (d) above except to the extent such failure has materially injured the ability of the City to defend such matter successfully or to minimize the economic exposure resulting therefrom. Nothing in this Section shall be deemed to preclude the City from asserting any claim against an Indemnified Party for expenses arising from such Indemnified Party's willful misconduct, bad faith, gross negligence, fraud or deceit.

Section 506. Liabilities of the Trustee. To the extent authorized by applicable law, the City shall at all times assume complete financial responsibility for all liabilities, losses, claims, causes of action and reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses, including the actual and reasonable allocated costs and expenses of in-house counsel) incurred by, imposed upon or asserted against the Trustee, including its officers, directors, employees and agents, or any of them, for following any instruction or direction upon which the Trustee is authorized to rely pursuant to the terms of this Service Agreement, the Indenture, the Obligations or any Credit Facility Payment Obligations, or which arise on account of or result from any actions taken or omitted to be taken by the Trustee, except as a result of its or their gross negligence or willful misconduct, relating to or arising out of this Service Agreement, the Indenture, the Obligations or any Credit Facility Payment Obligations. Any provisions governing the rights, immunities and protections of the Trustee under the Indenture are incorporated by reference into this Service Agreement as being applied to the Trustee as though fully set forth herein.

Section 507. No Waiver of Immunity. Nothing herein shall waive or amend any defense or immunity which the City or the Authority, their officers, employees or agents may have under the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541 et seq. or the Commonwealth Agency Law, 42 Pa. C.S.A. §8521 et seq.

Section 508. Non-Competitively Bid Contract Bidding Requirements. Pursuant to Section 17-1408 of the Philadelphia Code, the Authority shall abide by the provisions of Philadelphia Code Chapter 17-1400 in awarding any contract(s) pursuant to this Service Agreement as though such contracts were directly subject to the provisions of Chapter 17-1400, except that the exception set forth at Subsection 17-1406(8) shall apply to the Authority as if the Authority were listed in that subsection.

Unless approved by the City to the contrary, any approvals required by the Philadelphia Code Chapter 17-1400 to be performed by the City Solicitor shall be performed by the Authority by its General Counsel; any approvals required to be performed by the Director of Finance shall be performed by the Authority by its Director of Finance; and any approvals required to be performed by the Mayor shall be performed by the Authority by its Executive Director.

Section 509. Authority Audits. The Authority shall furnish to the City, upon request, a copy of its annual audited financial statements, and, if requested, shall permit any duly authorized representative of the City to make reasonable examinations of its accounts and records relating to the Program, this Service Agreement and the Indenture, including permitting the City Controller to audit its affairs as authorized in Section 6-400 of the Philadelphia Home Rule Charter during the term of this Service Agreement.

Section 510. Additional Information. The City agrees, whenever reasonably requested by the Authority, to provide and certify or cause to be provided and certified such information concerning the Program and the City as the Authority reasonably considers necessary to enable it to make any reports or supply any information required under the provisions of the Indenture, applicable law or governmental regulation, or otherwise.

Article VI EVENTS OF DEFAULT AND REMEDIES

Section 601. Events of Default. Each of the following shall constitute an Event of Default hereunder:

(a) The failure of the City to make any payment to the Trustee of the Service Fee due pursuant to Section 401(a) of this Service Agreement;

(b) The failure of the City to make any other payment or to perform any other covenant, condition or agreement herein on its part to be performed; and

(c) If the City proposes or makes an assignment for the benefit of creditors or a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the City or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, state or federal, by or against the City and if such is not vacated, dismissed or stayed on appeal within sixty (60) days (provided that any such assignment, agreement, appointment or proceeding commenced under the First Class City Revenue Bond Act or the Municipal Utility Inventory and Receivables Financing Act, and/or any acceleration of the payment obligations in respect of any bonds, notes or other evidence of indebtedness issued under either aforementioned act, shall not be an Event of Default hereunder).

Section 602. Notice of Defaults; Opportunity to Cure Such Defaults. No default under Section 601(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the City by the Authority or the Trustee and the City shall have had 30 days after receipt of such notice to correct the default and shall not have corrected it; provided, however, if the default cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the City within the period and diligently pursued until the default is corrected.

Section 603. Remedies. If any Event of Default shall occur and be continuing, the Authority (or the Trustee as assignee of the Authority) may at its option exercise any one or more of the following remedies: (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the City to perform its duties and obligations under this Service Agreement; (b) by action or suit in equity require the City to account as if it were the trustee of an express trust for the Authority; or (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

In no event (including an acceleration of the Authority's payment obligations under the Obligations or with respect to any Credit Facility Payment Obligation) shall the due dates for payments of the Service Fee hereunder be accelerated.

Section 604. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Service Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 605. No Additional Waiver Implied by One Waiver. In the event the breach of any agreement contained in this Service Agreement should be waived by either party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Article VII
MISCELLANEOUSSection 701. Notices.

(a) Except as otherwise permitted herein and in the Indenture, all communications hereunder shall be in writing and, unless otherwise required under this Service Agreement, shall be sufficiently given or made if delivered personally to the Person who is to receive the same or if mailed to such person by certified mail, return receipt requested, addressed as follows:

(i) if to the Authority:

[Philadelphia Redevelopment Authority
1234 Market Street, 16th Floor
Philadelphia, PA 19107
Attention: Executive Director

With a copy to:

Philadelphia Redevelopment Authority
1234 Market Street, 16th Floor
Philadelphia, PA 19017
Attention: General Counsel]

(ii) if to the City:

City of Philadelphia
c/o Director of Finance
1401 John F. Kennedy Boulevard
MSB - Room 1330
Philadelphia, PA 19102-1693

With a copy to:

Law Department
City of Philadelphia
1515 Arch Street, 17th Floor
Philadelphia, PA 19102-1595
Attention: City Solicitor

(iii) if to the Trustee:

U.S. Bank National Association
Two Liberty Place
50 S. 16th Street
Suite 2000
Mail Station EX-PA-WBSP
Philadelphia, PA 19102
Attention: Global Corporate Trust

Section 702. Severability. If any provision of this Service Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 703. Redemption of Obligations. The Authority, at the written direction of the City, at any time the aggregate moneys in the funds or accounts created under the Indenture are sufficient to effect such redemption in whole or in part, and if the same are then redeemable under the provisions of the Indenture, shall forthwith take steps that may be necessary under the applicable provisions of the Indenture to effect redemption of all or as many of the then Outstanding Obligations on such redemption date as may be specified in writing by the City.

Section 704. Counterparts; Electronic Signatures. This Service Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Service Agreement. The parties to this Service Agreement acknowledge that any party may execute this Service Agreement pursuant to digital or electronic means. Notwithstanding any time stamp accompanying a digital or electronic signature indicating an earlier time, this Service Agreement shall be effective upon the delivery of the [2021 Obligations] through The Depository Trust Company.

Section 705. Benefit of Service Agreement. This Service Agreement shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns. In addition, the agreements and representations of the City and the Authority herein contained shall inure to, but only to, the Trustee for the benefit of the Holders from time to time of all Obligations issued and Outstanding under the Indenture and any Credit Issuers secured pursuant to the Indenture, and to the Trustee for its own benefit.

Section 706. Termination. This Service Agreement shall terminate on such date as the principal of and interest on, and any other payments due with respect to, all Obligations and all other amounts required under the Indenture to be paid and all other expenses payable by the City hereunder shall have been paid (or provision for such payment shall have been made as provided in the Indenture) and all other conditions of this Service Agreement and the Indenture shall have been fully satisfied. Notwithstanding the foregoing, the City's obligations under Sections 505 and 506 hereof shall survive any such termination.

Section 707. Governing Law. This Service Agreement shall be governed by, and construed in accordance with, the substantive laws of the Commonwealth.

Section 708. Entire Agreement. This Service Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Authority and the City with respect to the subject matter hereof.

Section 709. Amendments and Supplements.

(a) The parties hereto from time to time may enter into any written amendments or supplements hereto (which thereafter shall form a part hereof) as shall not adversely affect the rights of or the security of the Holders of the Obligations, only for the following purposes: (i) to cure any ambiguity, defect, or inconsistency or omission herein or in any amendment hereto; (ii) to grant to or confer upon the Authority or the Trustee any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon the Authority or the Trustee; (iii) to reflect a change in applicable law; (iv) as appropriate in connection with the issuance of Additional Obligations; or (v) to provide terms not inconsistent with the Indenture or this Service Agreement; provided, however, that this Service

Agreement as so amended or supplemented shall provide at least the same security for Holders of the Obligations as the Service Agreement in this form.

(b) All other amendments must be approved by the Trustee and, to the extent required by the Indenture, by the Holders of the Obligations, in the manner as is set forth in Section 11.05 of the Indenture.

(c) Any amendment or supplement to this Service Agreement (other than an amendment or supplement pursuant to Section 709(a)(i) through (v) hereof) shall be approved by ordinance of the City Council and a copy of any such amendment or supplement, together with a copy of such ordinance, certified by the Clerk of the City Council, shall be filed with the Trustee.

Section 710. Limitation on Liability of the Authority. No provision of this Service Agreement shall be construed so as to give rise to a liability of the Authority or any of its members, officers or employees, or to give rise to a charge upon the general credit of the Authority or such members, officers or employees, including without limitation in respect of general liability for repayment of the Obligations or Credit Facility Payment Obligations; any liability hereunder of the Authority shall be limited exclusively to its interest in this Service Agreement and the lien of any judgment shall be restricted thereto.

Section 711. Construction; Conflict with Ordinance. If any provision of this Service Agreement conflicts with the provisions of the Ordinance, the Ordinance shall control.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Service Agreement, all as of the day and year first above mentioned.

[PHILADELPHIA REDEVELOPMENT AUTHORITY]

By: _____
Name: [Gregory Heller]
Title: [Executive Director]

THE CITY OF PHILADELPHIA, PENNSYLVANIA

By: _____
Name:
Title:

[Signature Page to
Service Agreement]

City of Philadelphia

BILL NO. 210203 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on May 13, 2021. The Bill was Signed by the Mayor on May 27, 2021.



Michael A. Decker
Chief Clerk of the City Council